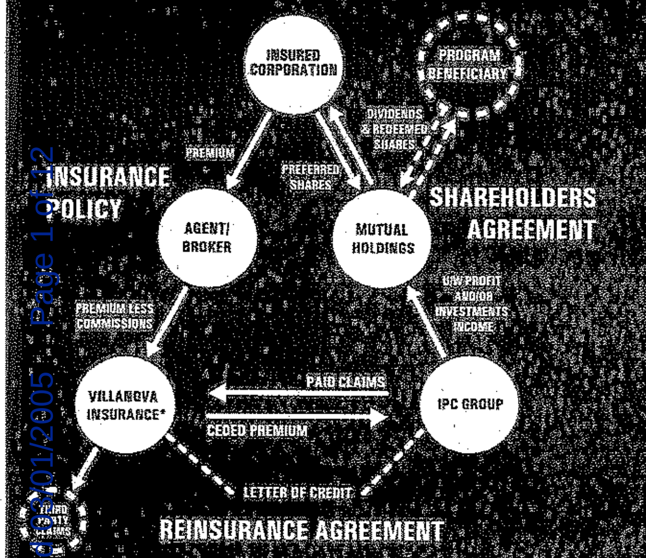
THE CORPORATE IPC



* In most states. Also available through Legion Insurance Company.

** The program beneficiary can be the insured corporation or in the case of privately held companies, the program beneficiary can be a family trust or other private account.

CONTRACTUAL RELATIONSHIPS

THE INSURANCE POLICY
Premium is paid by the insured, represented by an agent or broker, to the policy-issuing carrier, Villanova Insurance Company. The expenses of structuring an IPC program are deducted from the premium with the balance of the funds ceded to one of the IPC Group companies.

THE REINSURANCE AGREEMENT
The IPC Group reinsures Villanova* for all losses that fall within the IPC program's per occurrence retention while specific excess reinsurance protects against the effects of an individual large loss. Aggregate excess of loss protection is also obtained to limit the program's maximum payout of total losses.

THE SHAREHOLDER'S AGREEMENT
The participant purchases a discrete series of non-voting redeemable preferred shares in Mutual Holding, Ltd and receives a Shareholder's Agreement outlining terms under which dividends are paid. Dividends paid to the designated preferred shareholder consists of any earned underwriting profit and net investment income.

COMMONWEALTH RISK PROVIDES ACCESS TO:

RENT-A-CAPTIVES
World's largest rent-a-captive facility

CAPTIVE MANAGEMENT
World's largest independent captive manager

POLICY ISSUANCE
Admitted and non-admitted policy issuance

ACCIDENT & HEALTH
Stop-loss and carve-out solutions

OFFSHORE SECURITIES
Proprietary family of offshore funds

LIFE PRODUCTS
Offshore annuity products

LOSS CONTROL
Premier risk management and control services

TRUST SERVICES
Offshore trusts for high-net-worth individuals

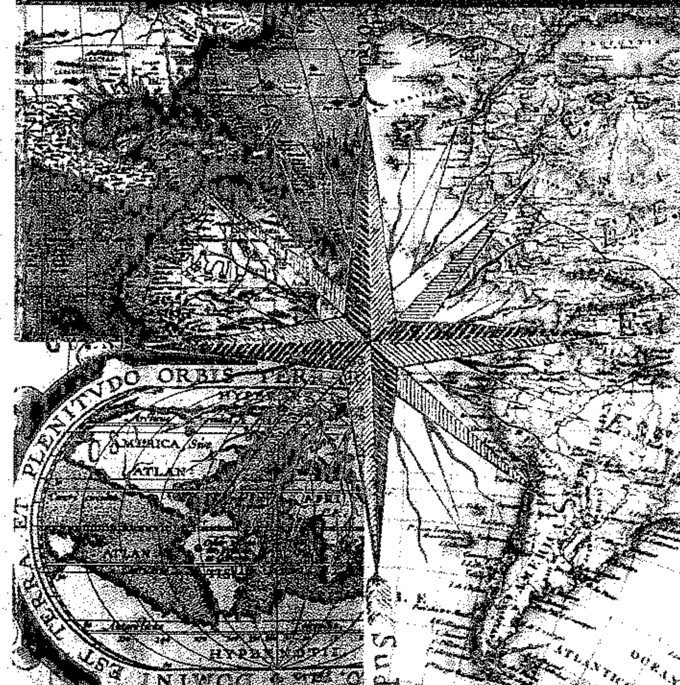
For more information on IPC products, visit us on the web at
www.accessMRM.com
or email us at **IPC@accessMRM.com**

CommonwealthRisk
An MRM Company

Your best alternative.

PHILADELPHIA, PA 215.963.1600	IRVINE, CA 949.553.9378	SAN FRANCISCO, CA 415.217.5980

CORPORATE IPC



INSURANCE PROFIT CENTER

CommonwealthRisk
An MRM Company

WHAT IS THE IPC?

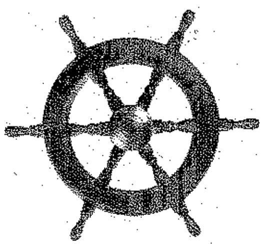
THE INSURANCE PROFIT CENTER® (IPC) IS:

An alternative risk financing vehicle that will contractually state the return of underwriting profit and investment income that is normally retained by the traditional insurer.

Designed for individual companies with premiums in excess of $750,000 and a willingness to participate in a portion of their own risk.

An A.M Best-rated, fully-insured program that offers the insured a variety of policy forms that will satisfy all state and vendor requirements.

An unbundled risk management service that allows the insured to select its claims handling and loss control vendors from a pre-approved listto effectively manage the financial decisions involving claims.

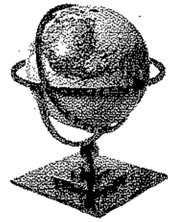


ADVANTAGES TO INSUREDS

THE CORPORATE IPC ENABLES PARTICIPATING COMPANIES TO:

- Lower the net cost of insurance through access to underwriting profit and investment income.
- Benefit from a vested interest in the management and resolution of claims.
- Develop a long-term solution that provides stability and the ability to avoid surprises from the volatile traditional insurance marketplace.

Regardless of what ever insurance program an insured selects, they will ultimately pay for their losses through higher premiums. The question should be whether it is in the insured company's best interest to select a program that offers more control over the insured's direct and indirect loss costs.



HOW IT WORKS

Premiums that are paid to a traditional carrier are made up of expenses to run the plan and dollars to pay the losses.

Under a Corporate IPC program, premiums are paid to Villanova Insurance Company* where, in most cases, plan expenses and a claims escrow are deducted.

The balance of the premium (considered the "Loss Fund") is held in one of the IPC Group companies where it is invested and debited monthly based on the paid claims for the period.

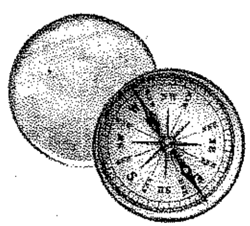
Any unused portion of the loss fund, plus accumulated investment income, is contractually returned under a Preferred Shareholder Agreement between the IPC Group and the plan beneficiary.

FINANCIAL SECURITY

The IPC has been designed to provide the maximum in security with all relationships among the parties being contractual in nature.

Every participant receives quarterly financial statements including a balance sheet, income statement and program year summaries for their individual program.

Additionally, the IPC Group publishes an independently audited, annual financial statement.



SUMMARY OF BENEFITS

CONTROL AND FLEXIBILITY The IPC provides for flexible expected loss funding, investment options and choice of loss control claims handling suppliers, managed care, return-to-work and other services.

UNDERWRITING PROFIT The IPC enables a participant to receive the underwriting profit from its insurance program—determined solely by each program's own loss experience with no risk sharing between programs.

INVESTMENT INCOME Investment income is earned on the program's invested assets held in the Mutual Investment Pool and is credited to participants every two weeks.

CONSISTENT RETURNS The diversified investments of the Mutual Investment Pool has provided program participants with consistent returns on held assets.

TAX DEFERMENT Depending upon your program's structure, a degree of tax deferment may exist. Your tax counsel would determine this on your behalf.

POLICY FORMS The program offers a choice of insurance options including Large Deductible, Self-insured Wraparound, Guaranteed Cost, Fully Funded and more.

FINANCIAL SERVICES Unique benefits such as estate planning, business continuation, balance sheet protection, long-term cash-flow management, life and annuity products, proprietary securities, and trust management servicesare also available.

IPC GROUP

An MRM Company

www.accessMRM.com

The I.P.C. Companies

Mutual Indemnity Ltd.
Mutual Indemnity (Barbados) Ltd.
Mutual Indemnity (Bermuda) Ltd.
Mutual Indemnity (Dublin) Ltd.
Mutual Indemnity (U.S.) Ltd.

Report to Shareholders

The I.P.C. Companies produced another record-breaking year in 1993. The addition of 62 new Insurance Profit Center programs brought the ac number of participants at December 31, 1993 to 314. Total assets rose to $387 million, and $9.5 million was paid out to participants in the form c preferred shareholder dividends. Over $100 milli of preferred shareholder dividends have now bee paid since inception of the first Insurance Profit Center program in 1980.

The I.P.C. Companies return underwriting profit and investment income to participants, resulting from their individual Insurance Profit Center programs. Insurance buyers who participate in th own risk and successfully control their losses will reap the rewards offered by an Insurance Profit Center program.

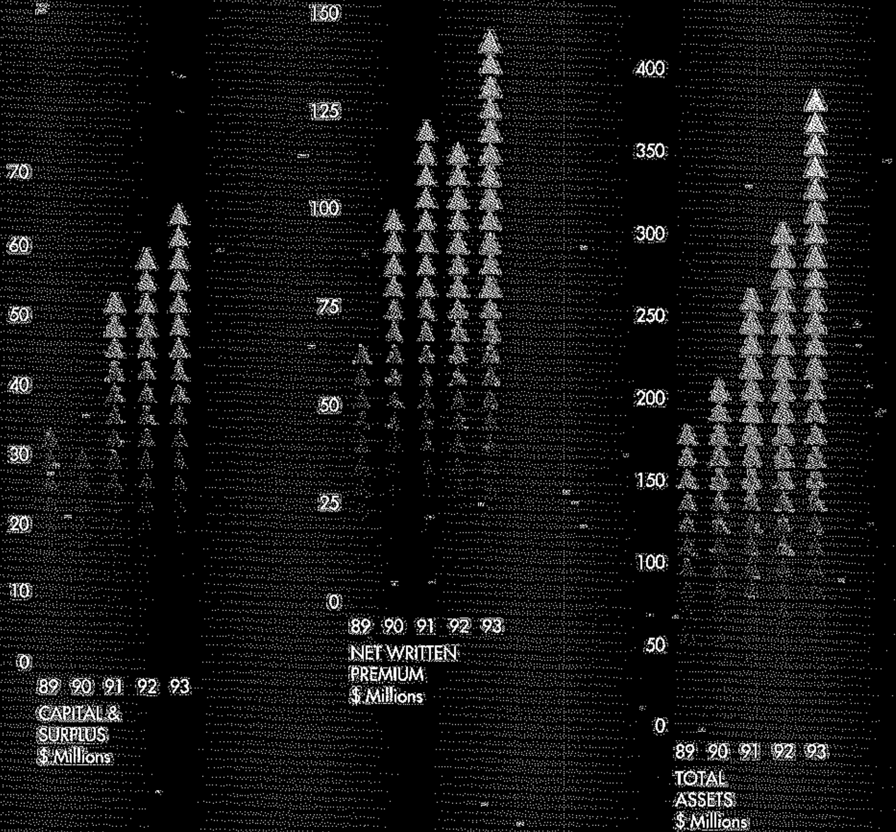
During 1993, one of the I.P.C. Companies, Mutual Indemnity Ltd., earned an A- (Excellent) rating from A.M. Best Company. We are particularly pleased to have achieved this excellent rating Mutual Risk Management Ltd., the ultimate pare of the I.P.C. Companies, recently announced the purchase of The Worksafe Group, Inc., a California-based corporation which provides loss control services. The Worksafe Group provides services to a number of California-based Insuranc Profit Center program participants, and we look forward to offering their unique approach to all participants during 1994.

Despite recent regulatory reforms for Workers' Compensation insurance, it still remains a difficul line of coverage for many insureds. We continue t provide innovative solutions for the sophisticated insurance buyer with a willingness to participate i their own risk, and we look forward to a successfu and mutually rewarding year in 1994.

Respectfully submitted,

Paul D. Watson
President

FINANCIAL HIGHLIGHTS



(in thousands)	1989	1990	1991	1992	1993
Net Written Premium	$69,808	$100,296	$123,501	$119,391	**$142,243**
Investment Income	11,932	12,521	19,852	26,909	**21,707**
Net Income	8,419	15,782	12,398	22,994	**14,950**
Shareholder Dividends	11,300	15,833	16,753	17,612	**9,537**
Total Assets	$186,600	$208,290	$260,834	$301,211	**$387,289**
Capital & Surplus	35,249	28,878	51,621	58,779	**67,338**

All figures are on a statutory basis

Report to Shareholders

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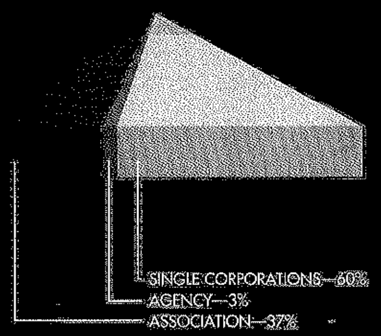
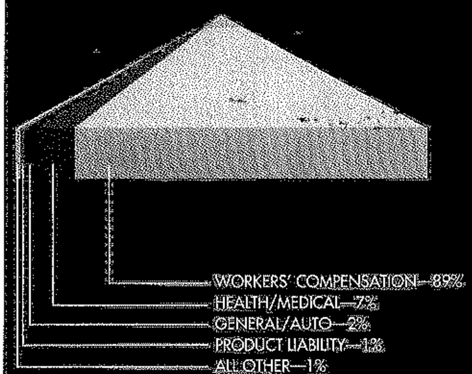
Respectfully submitted,

Paul D. Watson
President

Source of Business
1993 NET WRITTEN PREMIUM



Lines of Coverage
1993 NET WRITTEN PREMIUM



The Insurance Profit Center (IPC) program lowers the net cost of insurance by returning underwriting profit and investment income. Introduced in 1979, the Insurance Profit Center program offers the benefits of a captive insurance company without the capitalization requirements, administrative costs, and legal ramifications associated with establishing and operating an insurance subsidiary.

The Alternative Market has grown significantly over the last decade, accounting for approximately one-third of the more than $180 billion in property-casualty written premiums. The Insurance Profit Center program is for insureds who assume a portion of their own risk on a loss-sensitive basis. Programs can be structured for virtually any coverage, particularly casualty coverages, the most prevalent being Workers' Compensation.

Upon policy issuance by a licensed insurance company, expenses are deducted and the balance of funds is ceded to one of the I.P.C. Companies. Funds held by the I.P.C. Companies are invested in the Mutual Finance Ltd. Investment Pool, and earn investment income until losses under that part of the program need to be paid.

The Insurance Profit Center program is comprised of three separate contractual agreements: the Insurance Policy issued by the carrier, the Reinsurance Agreement between the carrier and the reinsurer, and the Shareholder Agreement between the I.P.C. Companies and the insured (see diagram on the opposite page).

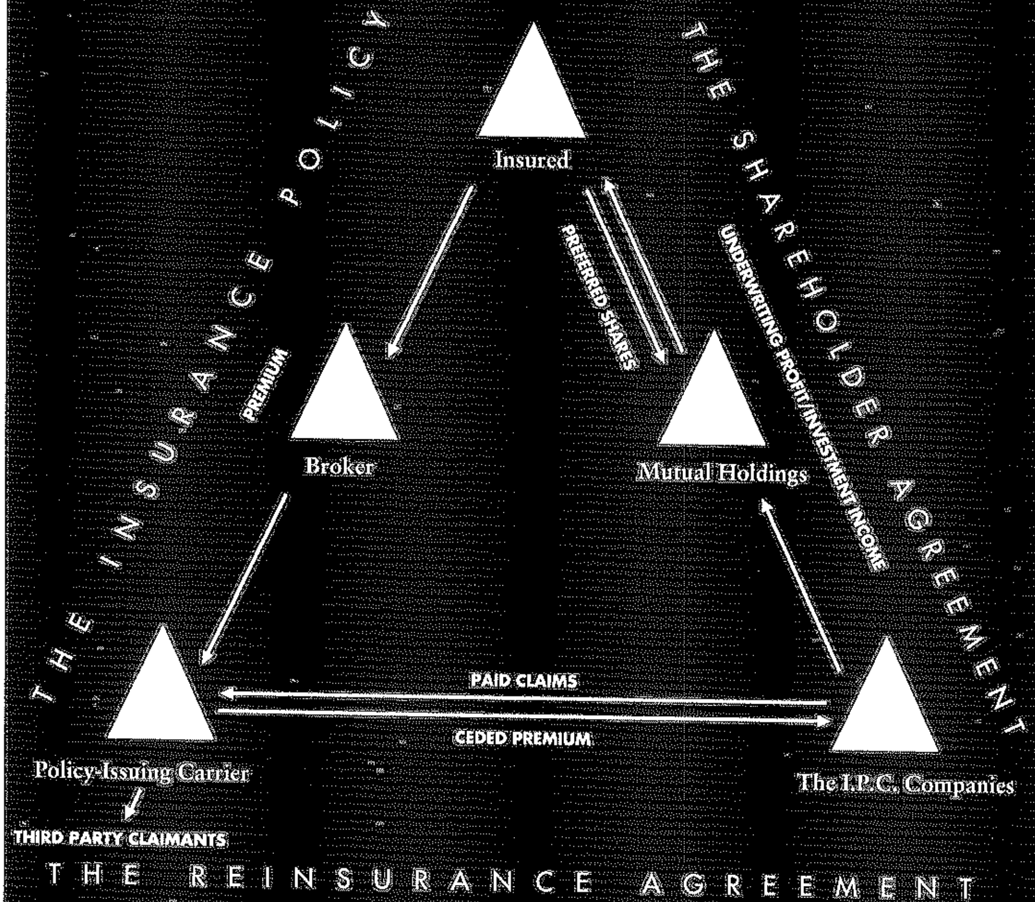
At program inception, the insured (or a designate) purchases a discrete series of non-voting, redeemable preferred shares in Mutual Holdings, the parent of the I.P.C. Companies. Dividends consist of a program's underwriting profit and the accumulated investment income earned on the ceded cash funds.

The Insurance Profit Center program offers several distinct advantages to brokers and insureds, including:

- No pooling of risk with other insureds
- Unbundling of program services
- Full commission to brokers and agents
- Flexible program structure
- Ease of implementation

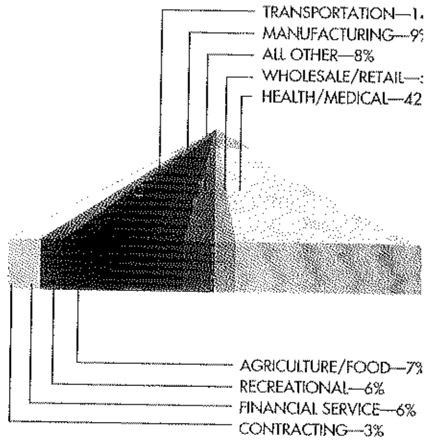
While the majority of the Insurance Profit Center programs have been written for accounts in the United States, both the Canadian and European markets are increasingly discovering the many advantages of this unique insurance product.

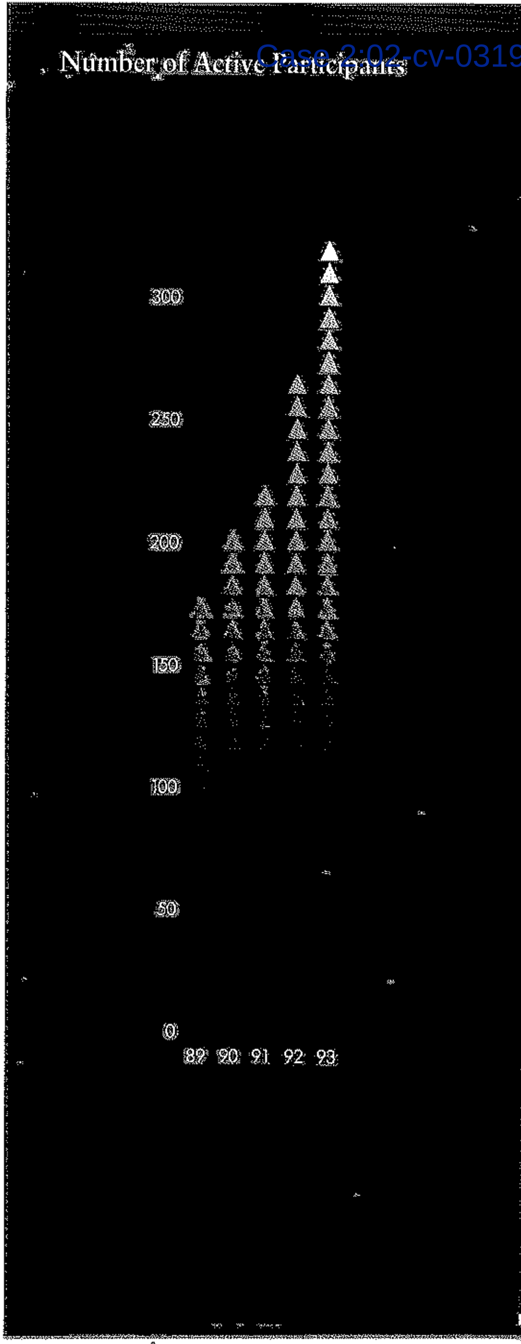
Over the last 15 years, more than 500 programs have been designed for companies in industries such as health care, manufacturing, retail, transportation, and professional sports franchises. These programs have generated more than $1.25 billion in written premiums.



The duties and responsibilities of the parties in an Insurance Profit Center program are outlined in three contracts: an Insurance Policy, a Reinsurance Agreement and a Shareholder Agreement.

Industry Segments
1993 NET WRITTEN PREMIUM





The various I.P.C. Companies are all designed to help reduce the overall costs of an insurance program. By accessing a specific company, whether it's for a U.S. insured, a Canadian company, a European exposure, or a U.S. company with a foreign parent, insureds will find that they accrue specific benefits. Through these alternative risk financing programs, the I.P.C. Companies are aggressively responding to the needs of the 1990's marketplace.

Individual corporate programs generally start at $750,000, while associations usually start at $2,000,000 of annual premium. A common application of the I.P.C. Companies' products is for corporations which elect not to establish a wholly-owned captive insurance company. Rent-a-captive programs can be developed for corporations with a single location, those which have multi-state locations, or multi-national companies. Insurance agencies and managing general agents have also come to recognize the many benefits that are offered by the Insurance Profit Center program.

Mutual Indemnity Ltd.
Mutual Indemnity (Bermuda) Ltd.
Mutual Indemnity Ltd., Hamilton, Bermuda, was incorporated in 1979 as an international insurer and reinsurer, commencing operations in January 1980. Mutual Indemnity (Bermuda) Ltd. was incorporated in 1993. Most insureds utilize these companies as either the insurer or reinsurer for their programs.

Mutual Indemnity (Barbados) Ltd.
Incorporated in 1986, Mutual Indemnit (Barbados) Ltd., a non-controlled foreig affiliate under Canadian law, is most often accessed for Canadian insureds or U.S. insureds with a Canadian parent. Underwriting profit and investment income accumulate on a tax-deferred basis, and may be repatriated to Canadi insureds as exempt surplus, not taxable income, through a tax treaty between Canada and Barbados.

Mutual Indemnity (Dublin) Ltd.
In 1991, Mutual Indemnity (Dublin) Ltd was approved by Irish authorities to ope ate as a reinsurance company licensed fo all classes of life and non-life business. Dublin is an attractive domicile for certa Insurance Profit Center program partici- pants, principally European corporations and U.S. corporations with European pa ents, due to unique regulatory, financial, and operational advantages.

Mutual Indemnity (U.S.) Ltd.
Mutual Indemnity (U.S.) Ltd., a Bermud based company, was incorporated in 19 as if it were a United States insurance company, for U.S. tax purposes. Progran through Mutual Indemnity (U.S.) Ltd. enable insureds to avoid payment of U.S. Federal Excise Tax. Dividends paid to pr ferred shareholders are eligible for a deduction applicable when one U.S. corporation pays dividends to another.

Premiums ceded to the I.P.C. Companies are invested in two interest-bearing accounts, a Call Account at the Bank of N.T. Butterfield & Son Ltd., Hamilton, Bermuda, and the Mutual Finance Ltd. Investment Pool.

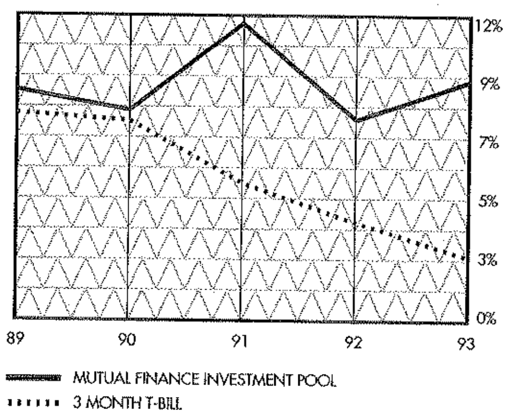
Funds in the Call Account are for estimated claims payments due the next month under the Reinsurance Agreement. The majority of the ceded funds is invested in the Mutual Finance Investment Pool, to earn a higher rate of return for Insurance Profit Center program participants.

The Mutual Finance Investment Pool's objective is to maximize yield through diversification, without increasing investment risk inconsistent with the Insurance Profit Center program objectives. An Investment Committee of the Board, including outside directors on behalf of Insurance Profit Center program participants, meets regularly to review the performance of each portfolio and to agree upon the allocation of assets to each of the portfolios for the ensuing quarter. Principal sums are safeguarded and liquidity preserved to meet potential claims.

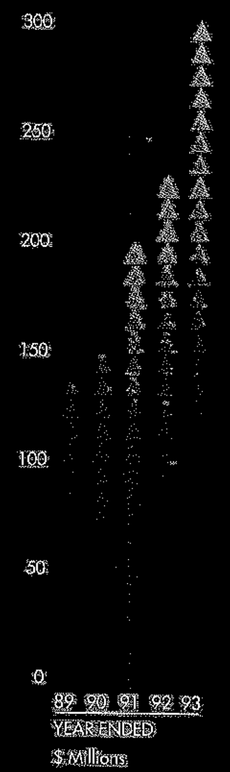
The Mutual Finance Investment Pool is allocated among nine different funds, maintained by seven managers. This allocation of assets is the key to our ability to adjust to changing market conditions and to limit the portfolio's risk. At December 31, 1993, the Mutual Finance Investment Pool was split among four general investment categories: Cash Fund (4% of Pool); Target Yield Fund (29%); Fixed Incomes (53%); and Equity (14%).

Each month income is credited to participants' accounts on the first working day of that month, in proportion to their holding in the Mutual Finance Investment Pool. This is the only day of each month that funds can be moved into or out of the Mutual Finance Investment Pool. This investment income is returned, along with the client's underwriting profits, by way of a dividend, pursuant to the Shareholder Agreement. The Mutual Finance Investment Pool gives clients access to a larger asset base and greater diversification of investment types and maturity dates than would be achievable for participants acting on their own.

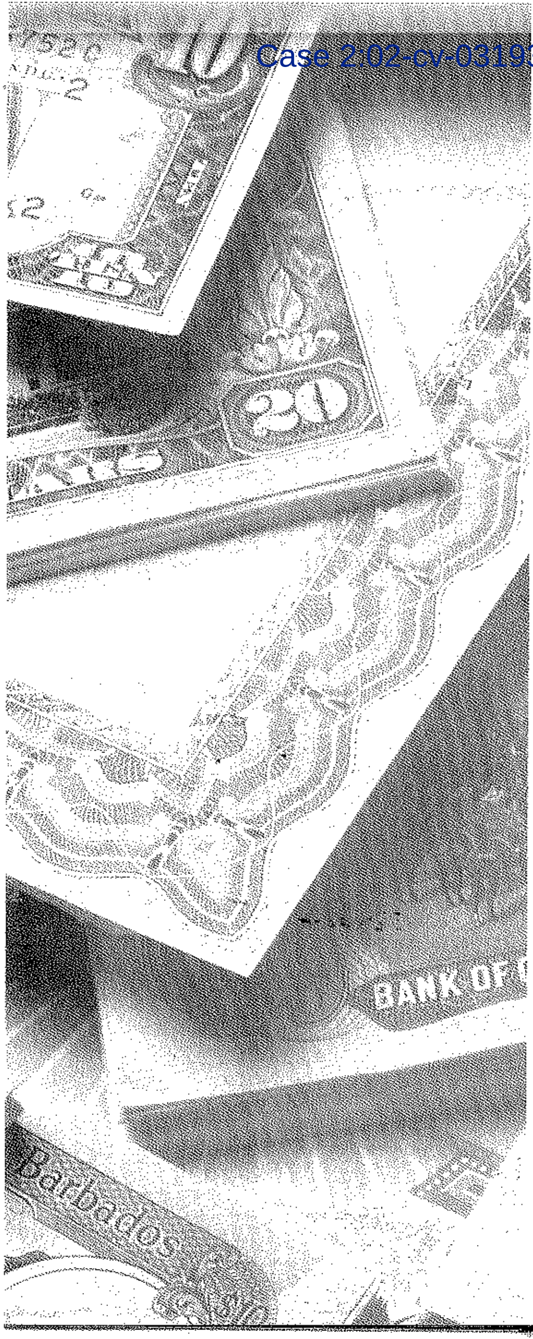
Mutual Finance Investment Pool



Assets Held in Mutual Finance Investment Pool



Year ended	(in thousands)
December 1993	**$291,837**
December 1992	$220,805
December 1991	$188,148
December 1990	$142,578
December 1989	$138,639



COMBINED STATUTORY BALANCE SHEETS

	As of December 31,	*1993*	
Assets	Cash and time deposits	$ 48,690,708	$ 38,5
	Bonds	234,141,587	167,2
	Equities	39,245,731	32,1
	Investments in and advances to affiliates	29,684,972	26,2
	Investment in mortgage loans on real estate	0	61
	Loans receivable	2,558,029	2,6
	Investment income due and accrued	7,540,275	7,7
	Reinsurance balances receivable	7,949,100	6,9
	Funds held by ceding reinsurers	16,155,037	17,5
	Preferred share subscriptions receivable	795,500	1,2
	Other assets	528,242	32
	Total Assets	$ 387,289,181	$ 301,21
Insurance Reserves, Other Liabilities and Statutory Capital and Surplus	**Insurance Reserves**		
	Unearned premiums	$ 9,147,097	$ 6,0
	Loss and loss expense reserves	183,628,163	153,4
	Total Insurance Reserves	192,775,260	159,4
	Other Liabilities		
	Insurance and reinsurance balances payable	11,823,627	10,6
	Income taxes payable	659,359	3
	Due to affiliates	2,690,209	1,5
	Accounts payable and accrued liabilities	2,312,748	2,01
	Funds held under reinsurance contracts	2,210,670	
	Collateral security deposits	103,479,779	64,8
	Guarantees	4,000,000	3,6
	Total Other Liabilities	127,176,392	82,9
	Total Statutory Capital and Surplus	67,337,529	58,7
	Total Insurance Reserves, Other Liabilities and Statutory Capital and Surplus	$ 387,289,181	$ 301,21

These financial statements have been extracted from the Combined Statutory Financial Statements [prepared in acco with The Insurance Act 1978 (Bermuda) and Related Regulations] which, together with Notes and Auditors' Report available upon request.

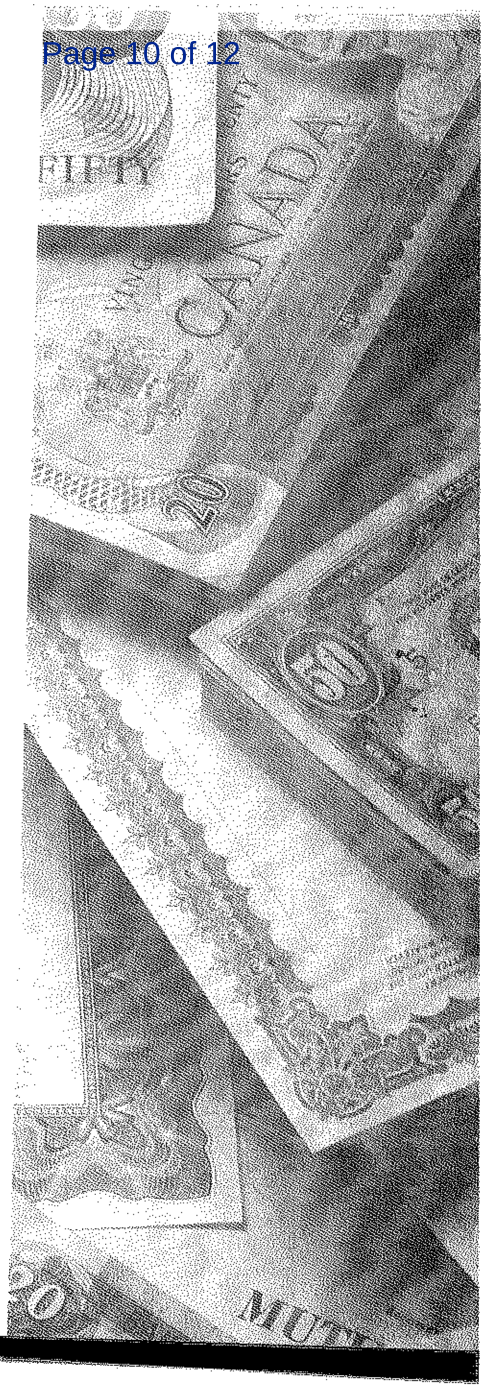
COMBINED STATUTORY STATEMENTS OF INCOME

	Years ended December 31,	*1993*	*1992*
Underwriting Income	Gross premiums written	$ 148,053,133	$ 123,000,555
	Reinsurance premiums ceded	5,809,656	3,610,007
	Net premiums written	142,243,477	119,390,548
	Increase (decrease) in unearned premiums	3,485,799	(1,409,309)
	Net premiums earned	138,757,678	120,799,857
Underwriting Expenses	Net losses and net loss expenses incurred	100,541,093	85,006,382
	Commissions and brokerage	39,075,356	36,476,180
	General and administrative	4,752,775	3,146,269
		144,369,224	124,628,831
	Underwriting (loss)	(5,611,546)	(3,828,974)
	Net investment income	15,480,293	13,480,537
	Realized gains on investments	6,226,301	13,428,169
	Income before income taxes	16,095,048	23,079,732
	Income taxes	1,144,651	86,018
	Net Income	$ 14,950,397	$ 22,993,714

COMBINED STATUTORY STATEMENTS OF CAPITAL AND SURPLUS*

	Years ended December 31,	*1993*	*1992*
Statutory Capital	Capital stock	$ 12,439,000	$ 8,060,000
	Contributed surplus	18,696,769	19,645,769
	Guarantees	(4,000,000)	(3,600,000)
	Total Statutory Capital	27,135,769	24,105,769
tatutory Surplus	Statutory Surplus—beginning of year	34,672,745	31,500,905
	Income for the year	14,950,397	22,993,714
	Dividends paid—Common shares	(2,500,000)	(1,300,000)
	—Redeemable preferred shares	(9,537,436)	(17,611,625)
	Change in unrealized gains (losses) of investments	2,596,234	(770,081)
	Change in non-admitted assets	19,820	(140,168)
	Total Statutory Surplus	40,201,760	34,672,745
	Total Statutory Capital and Surplus	$ 67,337,529	$ 58,778,514

Expressed in United States Dollars



Company Information

Board of Directors

1,3 Francis J. Mulderig
Chairman

1 Roger E. Dailey
Consultant
Equifax, Inc.

1 David J. Doyle
Partner
Appleby, Spurling & Kempe

1 Arthur E. Engel
Chairman and
Chief Executive Officer
Southwest Marine, Inc.

1,2,3 John Kessock, Jr.
Chairman
Commonwealth Risk
Services, Inc.

1 Gary R. McCoy
Chief Executive Officer
Mammoth Mountain
Ski Area

1,2,3 Robert A. Mulderig
Chairman and Chief
Executive Officer
Mutual Risk
Management Ltd.

1 Beverly H. Patrick
President and
Chief Executive Officer
Professional Risk
Management Services, Inc.

1,3 Richard G. Turner
President
Commonwealth Risk
Services, Inc.

1,2,3 Paul D. Watson
President

2 Peter MacKay
Managing Director
Mutual Risk Management
(Cayman) Ltd.

2 Hamish G. McClurg, M.A.
LL.B.
Attorney-at-law

3 Hugh D. Governey
Managing Director
Corporate Broking
Coyle Hamilton Ltd.

3 James C. Kelly
Vice President and Chief
Financial Officer
Mutual Risk Management
Ltd.

3 Glenn R. Partridge
Senior Vice President
Legion Insurance Company

Auditors

1 KPMG Peat Marwick
Hamilton, Bermuda

2 KPMG Peat Marwick
Bridgetown, Barbados

3 KPMG Peat Marwick
Dublin, Ireland

Attorneys

1 Appleby, Spurling & Kempe
Hamilton, Bermuda

2 Hamish G. McClurg, M.A.,
LL.B.,
Bridgetown, Barbados

3 A & L Goodbody
Dublin, Ireland

Bankers

1 Bank of N.T. Butterfield &
Son Ltd.
Hamilton, Bermuda

Consulting Actuaries

1,2,3 Tillinghast, a Towers Perrin
Company
Hamilton, Bermuda

---

1 Mutual Indemnity Ltd.
Mutual Indemnity
(U.S.) Ltd.
Mutual Indemnity
(Bermuda) Ltd.
2 Mutual Indemnity
(Barbados) Ltd.
3 Mutual Indemnity
(Dublin) Ltd.

Annual Meeting

The annual Preferred Shareholders' Meeting of the I.P.C. Companies will be held June 9-12, 1994 at the Hamilton Princess Hotel, Hamilton, Bermuda. The General Session will take place on Friday, June 10, 1994, at 8:45 a.m.

The I.P.C. Companies' combined statutory financial statements present the combined results of Mutual Indemnity Ltd., Mutual Indemnity (Barbados) Ltd., Mutual Indemnity (Bermuda) Ltd., Mutual Indemnity (Dublin) Ltd., and Mutual Indemnity (U.S.) Ltd., in conformity with insurance accounting practices prescribed or permitted by The Insurance Act 1978 (Bermuda) and Related Regulations. These five companies operate the Insurance Profit Center program, an alternative risk financing program designed to lower the net cost of insurance through the return of underwriting profit and investment income.

Financial Condition

The 62 new participants provided the growth for the I.P.C. Companies, increasing total assets by 28% to $387 million at December 31, 1993, from $301 million at December 31, 1992. Total statutory capital and surplus rose 14% to $67.3 million at year end 1993, compared to $58.8 million for 1992.

Results of Operations

Net premium written rose 19%, to $142.2 million for the year ended December 31, 1993, compared to $119.4 million for the year ended December 31, 1992. Underwriting and acquisition expenses amounted to $43.8 million, producing an expense ratio of 30.8% for 1993. This expense ratio is the acquisition cost spent on acquiring and underwriting business expressed as a percentage of the net premium written. Losses and loss expenses incurred amounted to $100.5 million, producing a loss ratio of 72.5% for 1993. The I.P.C. Companies' combined ratio, which measures the percentage of premiums paid out in losses and expenses, remained almost unchanged at 103.3% in 1993, compared to 103.5% in 1992. The combined ratio of the I.P.C. Companies compares very favorably to the United States' Workers' Compensation insurance industry in general, which had an improved combined ratio of 109.5% for 1993, after many years of experiencing combined ratios in the order of 120%. We believe that the I.P.C. Companies outperformed the general industry results because of better selection of risks and our participants' financial incentive to control their losses.

Investment income in 1993 amounted to $21. million, compared to $26.9 million for 1992. After including the effect of unrealized gains o investments, the net return to shareholders for 1993 amounted to $24.3 million, compared t $26.1 million for 1992. This, however, represents an increase of 39%, after eliminating fro the 1992 investment return an extraordinary gain of $8.7 million, arising through the sale c stock in the I.P.C. Companies' parent compan Mutual Risk Management Ltd. This increase was achieved by having more invested assets a an improved return. The Mutual Finance Investment Pool generated an 8.9% return fo Insurance Profit Center participants during 1993, compared to a 7.5% return for 1992.

Preferred Shareholder Dividends

To date, over $100 million in dividends have been paid to preferred shareholders. During 1993, preferred shareholders received dividen of $9.5 million, compared to $17.6 million fc 1992. This reduction in dividends paid is due a large number of participants utilizing the Insurance Profit Center Workers' Compensat large deductible plan. These participants effec tively receive an up-front savings by paying ir reduced amount of premium, which, in turn, reduces the amount that is eventually availab to be returned by way of dividend.

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